GIBSON, DUNN & CRUTCHER LLP Sec. 203 Exclusion Request for Nippon Steel Corporation, November 13, 2001 Exclusion Request No. 9

EXCLUSION REQUEST NO. 9

a. Product Name: Hot-Rolled Transformation-Induced Plasticity ("TRIP") Steel

HTSUS Classification: 7225.30.7000

b. <u>Technical Description</u>:

chemical composition:

Variety 1

NSC seeks product exclusions for varieties of Transformation-Induced Plasticity Hot-

Rolled Steel ("TRIP Hot-Rolled Steel") meeting the following product characteristics:

carbon content up to 0.21%, by weight; silicon content up to 2.20%, by weight; manganese content up to 1.80%, by weight phosphorus content up to 0.025% sulfur content up to 0.010% physical & mechanical properties: thickness range of 1.400 to 6.000 mm (inclusive); minimum yield point (MPA) of 390; minimum tensile strength (MPA) of 590; minimum elongation of 25% if 1,400 mm to 1,999 mm thickness range; minimum elongation of 26% if 2,000 mm to 2,499 mm thickness range; minimum elongation of 27% if 2.500 mm to 3.249 mm thickness range; minimum elongation of 28% if 3,250 mm to 3.999 mm thickness range; minimum elongation of 28% if 4,000 mm to 6.000 mm thickness range chemical composition: Variety 2 carbon content up to 0.23%, by weight; silicon content up to 2.20%, by weight; manganese content up to 2.00%, by weight phosphorus content up to 0.025% sulfur content up to 0.010% physical & mechanical properties: thickness range of 1.400 to 6.000 mm (inclusive); minimum yield point (MPA) of 440; minimum tensile strength (MPA) of 690; minimum elongation of 22% if 1,400 mm to 1,999 mm thickness range; minimum elongation of 23% if 2,000 mm to 2,499 mm thickness range;

minimum elongation of 24% if 2.500 mm to 3.249 mm thickness range; minimum elongation of 25% if 3,250 mm to 3.999 mm thickness range; minimum elongation of 26% if 4,000 mm to 6.000 mm thickness range

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Variety 3

chemical composition:

carbon content up to 0.25%, by weight; silicon content up to 2.20%, by weight; manganese content up to 2.20%, by weight; phosphorus content up to 0.025%; sulfur content up to 0.010%

physical & mechanical properties:

thickness range of 1.400 to 6.000 mm (inclusive); minimum yield point (MPA) of 490; minimum tensile strength (MPA) of 780; minimum elongation of 20% if 1,400 mm to 1,999 mm thickness range; minimum elongation of 21% if 2,000 mm to 2,499 mm thickness range; minimum elongation of 22% if 2.500 mm to 3.249 mm thickness range; minimum elongation of 23% if 3,250 mm to 3.999 mm thickness range; minimum elongation of 24% if 4,000 mm to 6.000 mm thickness range

c. <u>Basis for Exclusion Request:</u>

TRIP Hot-Rolled Steel is used in the production of automotive structural members and bumper reinforcements. TRIP Hot-Rolled Steel exhibits extremely good energy-absorbing capability while maintaining excellent formability. TRIP Hot-Rolled Steel should be excluded from any Section 203 relief because (a) this is a patented product that cannot be produced by U.S. steel mills, and (b) no product produced in the United States is a commercially-viable substitute for TRIP Hot-Rolled Steel.

(a) <u>TRIP Hot-Rolled Steel Is a Patented Product That Cannot Be Produced</u> By U.S. Mills

NSC holds two patents on this product (U.S. Patent Nos. 5,017,248 and 5,030,298) and has an additional patent pending (Application No. 09/308,986). Because no U.S. mill has been licensed to produce TRIP Hot-Rolled Steel, this product is only available from NSC.

(b) There Is No Commercially-Viable Substitute For TRIP Hot-Rolled Steel

To the best of NSC's knowledge, there is no U.S.-manufactured product that is substitutable for NSC's patented TRIP Hot-Rolled Steel.

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d. <u>Names and Locations of Any Producers</u>:

NSC is the only producer of this product.

e. <u>Total U.S. Consumption</u>:

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1

NSC has estimated [

	2001	2002	2003	2004	2005
Qty (ST)					
Value US \$	L				

f. <u>Total U.S. Production</u>:

As noted above, there is no U.S. production of this product.

g. <u>U.S.-Produced Substitute, Total U.S. Production of Substitute, and the Names of Any U.S. Producers of the Substitute:</u>

NSC is unaware of any U.S.-manufactured steel products that are commercially-viable substitutes for TRIP Hot-Rolled Steel.

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